

MONEYBARN NO.1 LIMITED
(Company Number 04496573)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

MONEYBARN NO.1 LIMITED
(Company Number 04496573)

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MONEYBARN NO.1 LIMITED
(Company Number 04496573)

DIRECTORS REPORT

Moneybarn No.1 Limited (the 'Company') is part of Vanquis Banking Group. Vanquis Banking Group plc is a public limited company, listed on the London Stock Exchange, which, together with its subsidiaries, forms the Vanquis Banking Group (the 'Group'). The immediate parent undertaking of the Company is Provident Financial Holdings Limited (prior to 17 December 2025, the parent undertaking was Moneybarn Group Limited).

The following provisions, which the directors are required to report in the Directors' report, have been included in the Strategic report:

- how the directors have engaged with colleagues, how they have had regard to colleague interests and the effect of that regard, including on the principal decision taken by the Company in the financial year (page 11); and,
- how the directors have had regard to the need to foster the Company's business relationship with suppliers, customers and others, and the effect of that regard, including on the principal decision taken by the Company in the financial year (pages 7 to 13).

Principal activities

The principal activity of the Company is the provision of finance for the purchase of motor vehicles by individuals via conditional sale agreements.

Results

The Statement of comprehensive income for the year is set out on page 21. The loss for the year of £9.8m (2024: £25.7m) has been deducted from retained earnings. The key drivers for the loss in the current year have been considered in the Business review within the Strategic report.

Dividends

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2025 (2024: £nil).

Directors

The directors of the Company during the year ended 31 December 2025, all of whom were directors for the whole year then ended and to the date of this report, except where stated, were:

I McLaughlin
D Watts
P Estlin

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors which were in place during the year and remain in force at the date of this report. The Company maintains directors' and officers' liability insurance for its Directors and officers.

Climate change

A climate-related financial report is included in the Group's Annual Report and Financial Statements 2025 which includes:

- scope 1 and 2 greenhouse gas (GHG) emissions in tonnes of carbon dioxide equivalent;
- GHG emissions which related to material scope 3 categories in tonnes of carbon dioxide equivalent;
- compliance with four recommendations and eleven recommended disclosures of the Taskforce on Climate related financial disclosures ("TCFD");
- a relevant intensity ratio (i.e. kilograms of carbon dioxide equivalent per customer); and
- information on underlying energy use for 2025.

The disclosures are produced in accordance with the UK Government's Streamlined Energy and Carbon Reporting (SECR) policy that has been implemented through the Companies (Directors' Report) and Limited Liability Partnership (Energy and Carbon Report) Regulations 2018. This disclosure covers the greenhouse gas emissions and energy use for the Group and its operating divisions incorporating the Company.

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DIRECTORS REPORT (CONTINUED)

Climate change (continued)

In addition, by including a climate-related financial report in the Group's Annual Report and Financial Statements 2025 that is fully consistent with the four pillars and eleven recommended disclosures of the TCFD, the Group complies with the FCA's Listing Rule 9.8.6R(8) and meets the requirements of the Climate-related Financial Disclosure (CFD) Regulations 2022 and the UK Companies Act (that is, sections 414CB(2A)(a to h).

Principal risks and uncertainties and financial risk management

The financial and capital risk management reports of the Company are set out on pages 35 to 36.

Auditor information

In accordance with section 418 of the Companies Act 2006, each person who is a director at the date of this report confirmed that:

- i) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- ii) the directors have taken all reasonable steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Deloitte LLP will continue as auditor to the Company for the next financial year.

Approved by the Board and signed on behalf of the Board by:



I McLaughlin
Director
25 February 2026

MONEYBARN NO.1 LIMITED
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STRATEGIC REPORT

Business review

Moneybarn No.1 Limited (the 'Company') is a significant player in the non-prime UK vehicle finance market. For the year ended 31 December 2025, the Company generated a loss before tax of £12.9m (2024: £34.3m).

The following are considered the Company's key performance indicators:

| Key Performance Indicators (KPIs)* | 2025 | 2024 |
|---|-------------|-------------|
| Asset yield | 16.8% | 16.1% |
| Cost of risk | (5.6)% | (7.3)% |

*Certain alternative performance measures (APMs) have been used in this report. Please refer to page 6 for further detail.

The Company consists of experts in helping customers to access finance when they might have struggled to get approval from mainstream lenders. The Company's customers represent one in five of UK adults who have a poor credit history but need a reliable car, motorbike, or van to suit their lifestyle and financial situation. The Company's core product is a Conditional Sale Agreement, which is a type of vehicle finance that helps spread the cost of a used vehicle over time, instead of paying for it all upfront. This is different to the other types of vehicle finance, like Hire Purchase (HP) or Personal Contract Purchase (PCP), as a Conditional Sale Agreement has no additional fee to own the vehicle; once the customer has made the final repayment, they legally own the vehicle. A Conditional Sale Agreement uses a fixed APR, so monthly payments are predictable and remain the same for the duration of the agreement, which is typically between 36 and 60 months.

Good customer outcomes are important to the Company, and once a customer is with us, the Company is focused on helping them to achieve the best outcomes possible, whether that's simply paying their finance each month until they own their used vehicle, or by supporting them if they're able to settle their agreement early. The Company understands that customers may experience difficulties during their agreement and are focused on supporting them should that happen. The Company has a range of options that allow us to help customers get back on track, or to otherwise exit the agreement in the 'best way possible'. From a service rating perspective, the Company is rated as 'Excellent' on Trustpilot, based on nearly 16,000 reviews.

Total active customer numbers decreased by 5.6% to 103,400 as of 31 December 2025 (2024: 109,500), reflecting proactively managed new business growth in the near-term in advance of the new onboarding and servicing platform being delivered in 2026 as part of the Gateway technology transformation programme. A new lending decision engine was introduced in 2025, enabling a more granular level of portfolio segmentation and delivered a stronger platform to optimise higher-margin customer segments.

Financial performance

Period-end net receivables decreased 6.4% to £688.5m (2024: £735.4m), reflecting the reduction in interest earning balances and a 24.4% reduction in expected credit losses (ECL) to £73.0m (2024: £96.5m). ECL reduced across stages given the reduction in balances. During the financial year, the Company has proactively managed new business growth while the Company builds its new onboarding and servicing platform.

Interest Income decreased 6.9% to £123.9m (2024: £133.1m) consistent with a 10.7% reduction in average gross customer interest earning balances to £737.3m. The asset yield increased 0.7% to 16.8% driven by repricing initiatives.

Interest Expense reduced 17.2% to £35.1m (2024: £42.4m), driven by the lower funding need and lower cost of funds, as the reduced rate outlook and maturing fixed-term deposits were refinanced with lower interest rate savings products.

Impairment charges decreased 31.1% to £41.5m (2024: £60.2m) reflecting the non-repeat of the £15.1m prior year impact of the Vehicle Finance Stage 3 receivables review and reduced impairment from the 7.7% reduction in gross customer interest earning balances. Cost of risk reduced 1.7% to 5.6%.

Risk adjusted income increased 33.6% to £47.3m (2024: £35.4m).

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STRATEGIC REPORT (CONTINUED)

Financial performance (continued)

Operating costs reduced by £9.5m to £60.2m (2024: £69.7m) driven by transformation savings, more than offsetting growth and inflation driven cost increases and an accrual for discretionary staff costs. Included in operating costs is £3.0m (2024: £nil) in respect of a provision made following the FCA's consultation on a scheme of arrangement to redress customers affected by potentially unfair motor finance commission practices.

During 2025, the Group's technology transformation programme, Gateway, made significant progress. In 2026, the Group will complete the Gateway transformation and re-platform the business onto a modern, cloud-based architecture. This will enable a digital-first operating model, accelerate innovation and deliver a structurally lower cost base. Gateway will broaden the Company's offering across lending, creating a more integrated digital customer experience. This will include new flexible credit solutions, tailored propositions for different customers and deeper personalisation.

The Company will further enhance credit decisioning through improved data, analytics and automation, strengthening the ability to lend responsibly while improving outcomes for customers. Gateway will provide real-time insights and more accurate affordability assessments across all Group products, including a transformed Vehicle Finance proposition launching in 2026. In addition, we are introducing Agentic AI capabilities to deliver faster, more efficient support, enhancing service while reducing cost-to-serve.

In the prior year, an additional 94 Ordinary shares of £1 each were issued and fully paid by the Company's former immediate parent undertaking, Moneybarn Group Limited, at a price of £0.5m per share. The Ordinary shares, were held exclusively by the immediate parent undertaking carry full voting, dividend and capital distribution rights.

Motor Finance Commission

In October 2024, the Court of Appeal ruled that motor dealers acting as credit brokers owe a fiduciary duty of loyalty and impartiality to their customers. The judgement, which stemmed from the cases of Johnson v FirstRand Bank Ltd, Wrench v FirstRand Bank Ltd, and Hopcraft v Close Brothers Ltd, raised the standard for disclosing and obtaining consent for commissions beyond existing FCA regulations. This introduced significant regulatory uncertainty, pending a Supreme Court appeal.

In January 2025, ahead of the Supreme Court hearing scheduled, the Government intervened, highlighting concerns over the potential economic impact. With 80% of new vehicles in the UK purchased on finance, the Treasury warned that the Court of Appeal's decision could restrict credit availability and harm the UK's reputation as a stable regulatory environment. The Government emphasised the need for proportional remedies to mitigate economic harm while balancing consumer protection with the vital role of the vehicle finance sector.

In August 2025, the Supreme Court ruled that motor dealers, when acting as credit brokers, do not owe fiduciary duties to their customers. In the Johnson case, the Supreme Court found that an unfair relationship existed between the lender and the borrower under section 140A of the Consumer Credit Act 1974. However, the Court emphasized that the test for unfairness is highly fact-sensitive, requiring assessment across a broad range of circumstances.

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STRATEGIC REPORT (CONTINUED)

Financial performance (continued)

Motor Finance Commission (continued)

In October 2025, the FCA published a consultation on a scheme of arrangement to redress customers affected by potentially unfair motor finance commission practices. The consultation recommends the scheme should cover regulated motor finance agreements taken out between 6 April 2007 and 1 November 2024 where commission was payable by the lender to the broker. The consultation has considered that agreements during the time period will be considered unfair because they involve inadequate disclosures of one or more of the following:

- a discretionary commission arrangement (DCA); or
- high commission (where the commission is equal to or greater than 35% of the total cost of credit and 10% of the loan); or
- contractual ties that gave a lender exclusivity or a right of first refusal.

The Company did not participate in DCAs and did not operate tied arrangements. The Company has identified 7,133 credit agreements written between 6 April 2007 and 1 November 2024 which would meet the high commission criteria, with no agreements pre-2016 in scope. This represents c.2% of the total credit agreements written during this period.

The Company has engaged constructively with the FCA's consultation on motor finance redress, helping to shape a fair and proportionate approach that reflects the low risk of detriment to the vehicle finance portfolio.

A £3.0m (2024: £nil) provision based on a number of probability weighted scenarios has been recognised in relation to this matter. Assuming the proposed base case redress calculations within the consultation, including an estimate of 85% of eligible consumers taking part in the scheme and simple interest applied at 1% above the base rate, the estimated cost would be £7.0m. While the final scope of the scheme remains subject to change, the Company remains comfortable with the £3.0m provision recognised.

From a regulatory perspective, the Company's commission disclosures were in accordance with the Consumer Credit Sourcebook (CONC) rules as set out by the FCA, and prior to April 2014, in line with guidance provided by the Office of Fair Trading.

Claims Management Company (CMC) activity

During the current year, the Company welcomed the Financial Ombudsman Service's (FOS) introduction of a case-fee structure for CMCs. The reform has had a clear and positive impact, reducing the volume of unmerited complaints, indicating that the reform is working as intended.

During prior years, the Company had experienced elevated levels of customer compensation claims from CMCs. The majority of these claims were speculative in nature, primarily driven by unmerited CMC activity, and related to a wide range of different matters, primarily in respect of the lending process but with no common theme or systemic issue.

A provision of £0.9m (2024: £0.7m) is held at the balance sheet date for: (i) customer compensation claims received where compensation may be paid but which have not yet been assessed, upheld or compensation amounts agreed; and (ii) expected FOS fees for future claims which may be referred. The provision is determined based on the complaints volume pipeline at the period end, estimated uphold complaint rates, and average compensation amounts for each complaint type based on historic data.

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STRATEGIC REPORT (CONTINUED)

Alternative performance measures (APMs)

In addition to statutory results and key performance indicators (KPIs) reported under international accounting standards as adopted by the UK, the Company provides certain alternative performance measures (APMs). These APMs are used internally by management and are also deemed helpful in understanding the Company's performance. These non-statutory measures should not be considered as replacements for IFRS measures. The definition of these non-statutory measures may not be comparable to similarly titled measures reported by other companies.

The APMs used within this report are calculated as follows:

Asset Yield

Interest income from customer receivables for the 12 months ended 31 December as a percentage of average gross receivables

Cost of risk

Impairment charges for the 12 months ended 31 December as a percentage of average gross receivables

Average gross receivables

Average of gross customer interest earning balances for the 13 months ended 31 December

STRATEGIC REPORT (CONTINUED)

Principal risks and uncertainties and financial risk management

The Company operates a 'three lines of defence' model to articulate key accountabilities and responsibilities for managing risk and to support effective embedding of risk management across the business. The 'first line' consists of line management across the Company, who are responsible for identifying, assessing, monitoring and reporting risk within their respective areas whilst ensuring that appropriate internal controls, processes and systems are in place to deliver against business strategy and objectives.

The Risk function of the Company act as the 'second line', who establish the Risk Management and Internal Control Framework. This function provides independent oversight of governance, risk management and controls to ensure risks are identified, measured, managed and reported appropriately.

The 'third line' consists of the Internal Audit function, which provides independent and objective assurance on the design adequacy and operational effectiveness of internal controls and overall effectiveness of the Company and Group's risk governance and risk management practices.

Credit risk

Credit risk is the principal risk faced by the Company. The possibility that customers will fail to honour their contracts and the market value of the underlying vehicle will be insufficient security to cover the customer's outstanding liabilities. To mitigate this risk, the Company has developed strong underwriting, loan to value and credit control policies, as well as an efficient disposal process.

The Credit Risk Committee (CRC) is responsible for setting the Credit Risk policy, of which the Risk Committee has delegated the day-to-day management of credit risk. The CRC is responsible for ensuring that the approach to lending is within sound risk and financial parameters and that key metrics are reviewed to ensure compliance with policy. The CRC met 10 times in 2025.

The Group and Company credit quality has remained stable over the year, partly due to the strategy enhancements, improvements in credit decisioning and processes, and targeted credit tightening in response to market and regulatory changes.

Funding and Liquidity risk

Funding and liquidity risk is the risk that the Company will have insufficient financial resources available to fulfil its operational plans and/or to meet its financial obligations as they fall due.

The Company's Funding Plan, Internal Liquidity Adequacy Assessment Process (ILAAP), Recovery Plan and Solvent Exit Analysis are approved by the Board with day-to-day management delegated to the Treasury function which discharges and informs the decision-making through the Asset and Liabilities Committee (ALCO). The ALCO is responsible for approving the Funding and Liquidity Risk Policy. The ALCO meets at least 10 times per year and reports to the Board (via the Executive Committee). The ALCO is chaired by the Chief Financial Officer, the Chief Executive Officer and Chief Risk Officer are members, and the Treasurer is deputy chair.

Conduct risk

In October 2025, the FCA published a consultation on a scheme of arrangement to redress customers affected by potentially unfair motor finance commission practices. The consultation recommends the scheme should cover regulated motor finance agreements taken out between 6 April 2007 and 1 November 2024 where commission was payable by the lender to the broker. The consultation has considered that agreements during the time period will be considered unfair because they involve inadequate disclosures of one or more of the following:

- a discretionary commission arrangement (DCA); or
- high commission (where the commission is equal to or greater than 35% of the total cost of credit and 10% of the loan); or
- contractual ties that gave a lender exclusivity or a right of first refusal.

MONEYBARN NO.1 LIMITED
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STRATEGIC REPORT (CONTINUED)

Principal risks and uncertainties and financial risk management (continued)

Conduct risk (continued)

The Company did not participate in DCAs and did not operate tied arrangements. The Company has identified 7,133 credit agreements written between 6 April 2007 and 1 November 2024 which would meet the high commission criteria, with no agreements pre-2016 in scope. This represents c.2% of the total credit agreements written during this period.

The Company has engaged constructively with the FCA's consultation on motor finance redress, helping to shape a fair and proportionate approach that reflects the low risk of detriment to the vehicle finance portfolio.

Information on the management of specific financial risks including credit, market, liquidity, interest rate, and capital risks is provided on pages 35 to 36.

Statement regarding section 172 of the Companies Act 2006

The directors have acted in a way that they considered, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the matters set out in section 172(a) – (f) of the Companies Act 2006.

The Board met during the reporting period and received regular updates from management on engagement activities with the Company's key stakeholders including regulators and customers. The Board is composed of three directors, all of whom are directors of the ultimate parent company, which provides direct investor engagement and ensures that investors' views are considered during the Board's discussion and decisions.

Our purpose to deliver caring banking, as part of the Vanquis Banking Group, is predicated on our customers and is underpinned by our ambition to help customers on the path to financial resilience, our strategy and our values. These aim to deliver an appropriate balance between the needs of our customers, our regulators, investors and our colleagues, in order to ensure that we are successful and sustainable for all of our stakeholders. Our stakeholders are individuals or groups who have an interest in, or are affected by, the activities of our business; our key stakeholders are set out in the table below. We seek to engage with them regularly to ensure that we are aware of their views and concerns with regard to a wide range of issues and we do this in a number of ways, as detailed in the below table. By balancing the interests of our stakeholders, lending responsibly, contributing to wider society and ensuring the appropriate corporate governance arrangements are in place, we can maintain a reputation for high standards of business conduct.

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STRATEGIC REPORT (CONTINUED)

| Our Stakeholders and why we engage with them | How? (How management and/or directors engaged with and considered our stakeholders) | What? (What were the key topics of engagement and consideration) | Key outcomes and actions (What was the impact of the engagement and/or consideration?) |
|---|---|---|--|
| <p>Our customers</p> <p>We engage with our customers to determine whether we are delivering our business activities in accordance with our purpose and ensuring that we deliver good outcomes for them throughout their journey with us.</p> <p>Our customers' interests include access to affordable vehicle finance that meet their needs as well as high quality service.</p> | <ul style="list-style-type: none"> • Conducting primary and secondary qualitative and quantitative research with both current customers and customers in our target market • Bringing the voice of the customer into the organisation through our customer satisfaction (CSAT) programme • Group-wide customer call listening sessions and Customer Wrap sessions • Monitoring performance against good customer outcomes, including complaints monitoring • Considering the customer experience, customer journeys and outcomes • Designing and implementing policies that protect and support customers • Management reports to the Board on the above methods of engagement and the outcomes of such engagement | <ul style="list-style-type: none"> • Customer affordability • Customer outcomes aligned with the FCA Consumer Duty • Specific customer service arrangements for customers with characteristics of vulnerability • Customer satisfaction, service level agreements, care, service and complaints • Policies relevant to customers including, but not limited to, Anti Money Laundering ('AML') and Data Protection. • Continued signposting to Stepchange • Access to electric vehicles | <ul style="list-style-type: none"> • Group-wide forbearance measures to support customers • Group-wide oversight of customer complaints operations, outcomes, strategy and customers with characteristics of vulnerability • Continued operational outsourcing arrangements to improve the quality of service provided to our customers |

MONEYBARN NO.1 LIMITED
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STRATEGIC REPORT (CONTINUED)

| Our Stakeholders and why we engage with them | How? (How management and/or directors engaged with and considered our stakeholders) | What? (What were the key topics of engagement and consideration) | Key outcomes and actions (What was the impact of the engagement and/or consideration?) |
|---|---|---|---|
| <p>Our shareholder</p> <p>The Company is a wholly owned subsidiary of Provident Financial Holdings Limited, whose ultimate parent is Vanquis Banking Group plc (the Group), and as such it is of paramount importance that the Group is kept updated on the Company's progress in delivering the Group's shared purpose, its budget, its strategy, governance, and culture. Direct and regular engagement with our shareholder ensures that the Company has a clear understanding of its role as part of the Group.</p> <p>Our ultimate shareholders' interests include return on investment, long-term growth and good ESG performance.</p> | <ul style="list-style-type: none"> • Two of the Company Directors are members of the Group Executive Committee, all are members of the Group Board • Board meetings took place during the reporting period • Financial reporting, strategy and common accounting principles are utilised across the Group to provide alignment • The Budget and financial plan are developed as part of the wider Group process • The Group has an aligned corporate governance framework and structure and Group wide Delegated Authorities Matrix • The Group has a centralised Corporate Responsibility team and a Group-wide approach to Corporate Social Responsibility. • Participating in the Group's capital funding plan and contributing to the strengthening of the Group's capital, liquidity and funding structure. • Board and Group Board have a corporate governance framework to support effective decision-making, oversight and accountability | <ul style="list-style-type: none"> • Strategy and long-term value creation • Culture statement (Ambitious, Caring, Together) and The Vanquis Way values • Financial and operational performance • Consistent and integrated risk management across the Group • Corporate governance arrangements and alignment • Corporate responsibility • Interactions with the regulators • Operational Resilience • Intragroup funding arrangements • Market and competitor landscape • Group wide simplification of the corporate structure • Renewal of the Group's Core UK Group Waiver by the PRA | <ul style="list-style-type: none"> • Business model aligned with the Group's purpose • Group Board-level oversight over the Group Risk Management and Internal Control Framework to ensure a consistent approach to risk management across the Group • Board approved intra-group funding arrangements to provide more cost-efficient funding across the Group • Input into the Group's Internal Capital Adequacy Assessment Process • Board and Group Board approved budget and operational plan • Simplified structure for corporate administration |

MONEYBARN NO.1 LIMITED
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STRATEGIC REPORT (CONTINUED)

| Our Stakeholders and why we engage with them | How? (How management and/or directors engaged with and considered our stakeholders) | What? (What were the key topics of engagement and consideration) | Key outcomes and actions (What was the impact of the engagement and/or consideration?) |
|---|--|---|---|
| <p>Our colleagues</p> <p>As part of the transfer of Moneybarn Limited's trade and associated assets and liabilities to Vanquis Bank Limited on 31 December 2024, all Moneybarn Limited colleagues were TUPED to Vanquis Bank Limited, bringing together the Moneybarn colleagues under the Vanquis Bank Limited (VBL) employing entity from 1 January 2025 to create a simplified legal structure.</p> | <p>Not applicable</p> | <p>Not applicable</p> | <p>Not applicable</p> |
| <p>Our communities</p> <p>To make a positive difference to the communities we serve in order to improve the lives of our customer base.</p> <p>Our communities' interests include financial education, addressing the key barriers to financial inclusion, social mobility and improving financial awareness.</p> | <ul style="list-style-type: none"> • Participation in the Group Social Impact Programme that delivers community investment • Group-wide community matters are discussed and overseen by the Group Board • Oversight by the Group Board of community matters and the approach to external engagement regarding the Company's purpose and role in society | <ul style="list-style-type: none"> • Community contributions and charitable giving • Volunteering • Matched employee fundraising • Relationships with debt charities • Group Social Impact programme | <ul style="list-style-type: none"> • Group volunteering policy to encourage Group colleagues to volunteer and make a positive difference in their communities • Group approach to external engagement regarding the Company's purpose and role in society • Matched employee charitable fundraising • The Group Social Impact Programme is aligned to the Group's strategy and purpose and has delivered community investment focused on community, customers and education • Continued Group partnership with Plain Numbers, School-Home Support, National Numeracy and the Ahead Partnership. • Group was an official delivery partner for Bradford UK City of Culture 2025 • Directors directly participated in volunteering as part of the 'Step into Tech' event. |

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STRATEGIC REPORT (CONTINUED)

| Our Stakeholders and why we engage with them | How? (How management and/or directors engaged with and considered our stakeholders) | What? (What were the key topics of engagement and consideration) | Key outcomes and actions (What was the impact of the engagement and/or consideration?) |
|--|--|---|--|
| <p>Our regulators</p> <p>To plan for regulatory change with greater certainty and confidence, to maintain our reputation as a responsible lender and to maintain our sustainable business model.</p> <p>Our regulators' interests include conduct, compliance and fair treatment of all stakeholders.</p> | <ul style="list-style-type: none"> • Board members and executive management engaged proactively with regulators via regular face to face and remote meetings throughout the year. • Regulatory risk reporting, including horizon scanning, was carried out and reported to the Board and the Group's Risk Committee • Regulatory engagement and correspondence was reported to and discussed by the Board via the Company Chief Risk Officer (CRO) and Group CEO • Dialogue and engagement regarding current products, potential products, customer outcomes and digitisation. • Management reports to the Board on the above methods of engagement and the outcomes of such engagement • Designated Group Non-Executive Director Consumer Duty Champion | <ul style="list-style-type: none"> • Commission arrangements for vehicle finance customers, the Supreme Court judgement regarding the same and the FCA's consultation on proposed industry wide remediation scheme. • Customer vulnerability and forbearance • Compliance with Consumer Duty rules to deliver good customer outcomes • Affordability assessments • Our products, our potential products and digitisation • Complaint levels and handling, including complaints from third parties. • Compliance with the Senior Management & Certification Regime • Regulatory changes and the potential impact on our business model and processes | <ul style="list-style-type: none"> • Enhanced customer communications • Responding to the Supreme Court judgement relating to car financing commission calculations and providing input to the FCA's consultation • Group-wide engagement with the FCA and PRA on an ongoing basis on issues that are material to the business strategy • Monitoring and responding to complaints from Claims Management Companies and discussing quality of complaints referred to the Financial Ombudsman Service • Group-wide engagement with Government bodies and MPs on a range of issues of importance to the firm including financial inclusion and social mobility. • Approval of the Operational Resilience Self-Assessment • Approval of the Annual Consumer Board Report. |

MONEYBARN NO.1 LIMITED
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STRATEGIC REPORT (CONTINUED)

| Our Stakeholders and why we engage with them | How? (How management and/or directors engaged with and considered our stakeholders) | What? (What were the key topics of engagement and consideration) | Key outcomes and actions (What was the impact of the engagement and/or consideration?) |
|---|---|---|--|
| <p>Our suppliers</p> <p>To treat our suppliers fairly and develop strong relationships with them which ensure that we only buy products and services from those who operate responsibly and mitigates risk in our supply chain.</p> <p>Our suppliers' interests include sustainable business, long-term partnerships, and fair payment.</p> | <ul style="list-style-type: none"> • There is an established due diligence process to manage supply chain-based risks and comply with Company policies and Group policies • There are standardised contractual terms that we attempt to use with all of our suppliers, to reduce contractual risks when contracting under these terms • The Company is a signatory to the Fair Payment Code receiving a Gold standard accreditation, and we publish our Payment Practices Reporting at Companies House • Consistent engagement through the Group's Supplier Relationship Management Framework | <ul style="list-style-type: none"> • Prompt and fair payment • Data Protection • Information Security • Environment • Supplier on-boarding and performance • Delegated Authorities • Modern Slavery • Anti-Bribery and Corruption • Continued to engage with suppliers via the Group's due diligence process on the climate risk agenda. • Operational Resilience and Third-Party Risk Management | <ul style="list-style-type: none"> • Gold standard accreditation under the Fair Payment Code • Supplier Relationship Management Framework enhanced and training delivered to enhance colleague awareness • Compliance with EBA Outsourcing Guidelines • Group Board approved the 2025 Modern Slavery Statement • The Supplier Management Framework standardises the Group's procurement processes and procedures. • Supplier conference held in November to strengthen material third party relationships • Operational Resilience Self-Assessment approved |
| <p>Our environment</p> <p>The Company supports and participates in actions related to ensuring that the Group submits reports that are fully consistent with the recommendations and recommended disclosures of the Taskforce on Climate-Related Financial Disclosures ("TCFD"). The Company seeks to minimise its environmental impact, operate a sustainable business and is committed to tackling climate change.</p> | <ul style="list-style-type: none"> • The Company utilises and contributes to the Group Environmental Management System (EMS) • The Group Board overseas and discusses environmental matters • Execution of activities to support Group achievement of ISO 14001 • The Group has had targets accepted by the Science Based Targets Initiative | <ul style="list-style-type: none"> • Climate change • Environmentally conscious vehicle manufacture • Funding of electric vehicles • A compliance statement published in respect of the recommendations and recommended disclosures of the Task Force on Climate Related Financial Disclosures which complies with the FCA Listing Rule 9.8.6R(8) • Maintenance and compliance with ISO 14001 • Science Based Targets | <p>As a member of the Group:</p> <ul style="list-style-type: none"> • Continued certification of the Group's environmental management system to ISO14001 • Climate risk management and reporting that is consistent with UK regulatory requirements. • Continued development of the Group's carbon approach moving from carbon offsetting to carbon efficiency. • Reporting of science based targets to the Science Based Targets Initiative |

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STRATEGIC REPORT (CONTINUED)

Statement regarding section 172 of the Companies Act 2006 (continued)

In all of our Board papers requiring a decision to be taken there is a section which presenters have to complete asking them to set out the impact/key matters for the Board to consider in relation to the decision in question on the following factors/stakeholders (where not already set out in the body of their paper) – customers; colleagues suppliers; regulators/government; investors, communities; environment; reputation; long term considerations. This draws attention to all the factors the directors need to take into account when considering their s. 172 Companies Act 2006 duties, even if there is considered to be no material impact in relation to any specific category of consideration.

In making the following principal decision, the Board took into account its duties under s.172 of the Companies Act 2006:

Decision to simplify the Group corporate structure

The Board considered a proposal to simplify the corporate structure to reduce complexity, reduce risk and improve efficiency of both cost and effort. The Board also noted the proposed activity to simplify the balance sheets of Duncton Group Limited, Moneybarn Limited and Moneybarn Group Limited allowing those companies to be placed into solvent liquidation in due course. The Board noted that the Company would be transferred directly to Provident Financial Holdings, it being the holding company solely owned by the Group's ultimate parent entity Vanquis Banking Group plc.

The Board noted the company history of Moneybarn Limited and Moneybarn Group Limited and oversaw that suitable tax, legal and professional advice had been provided regarding the activity. The Board confirmed that a legal due diligence exercise had been completed but would be repeated with support from independent external consultants ahead of the solvent liquidations. The Board noted that reduced cost and added efficiency arising from the activity had a positive but indirect impact on customers. Furthermore, the benefits of increased clarity arising from the simplified structure for the Group's investors, regulators and suppliers were recognised.

In making this decision, the Board expected the activity to contribute to the long-term success of the Group to the benefit of its stakeholders and that the Company would benefit from the simplified corporate structure.

MONEYBARN NO.1 LIMITED
(Company Number 04496573)

STRATEGIC REPORT (CONTINUED)

Going concern

The Company is partially funded through intercompany loan facilities made available by the ultimate parent company, Vanquis Banking Group plc. As a result, the ability of the company to continue as a going concern is dependent on the ability and intent of its ultimate parent to continue to make funds available to enable the Company to meet its liabilities as they fall due.

In assessing whether the Company is a going concern for the purposes of the Annual Report and financial statements, the directors have reviewed and considered the following factors:

- The Group's corporate plan as approved in January 2026, which sets out financial, capital, liquidity and funding projections, together with an overview of relevant risks;
- The principal and emerging risks, which could impact the performance of the Group, with a focus on capital and liquidity;
- The severe but plausible downside scenario, which is designed to assess the potential impact of certain underlying risks on the Group's capital and funding resources, together with the availability and effectiveness of mitigating action;
- Reverse stress testing analysis, which is designed to assess the point at which the Group is no longer a going concern.

Having considered the Group's forecasts, the regulatory capital and liquidity of the Group and the regulatory outlook, the directors have a reasonable expectation that the Company will continue as a going concern for a period of at least 12 months from the date of approving these financial statements. Accordingly, the financial statements of the Company have been prepared on the going concern basis. Further details on the basis of preparation is provided on page 25.

Approved by the Board and signed on behalf of the Board by:



I McLaughlin
Director
25 February 2026

MONEYBARN NO.1 LIMITED
(Company Number 04496573)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the financial statements in accordance with United Kingdom adopted international accounting standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

MONEYBARN NO.1 LIMITED
(Company Number 04496573)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MONEYBARN NO.1 LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Moneybarn No.1 Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2025 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in shareholders' equity;
- the statement of cash flows;
- the statement of accounting policies; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MONEYBARN NO.1 LIMITED
(Company Number 04496573)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MONEYBARN NO.1 LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included regulations set by the Financial Conduct Authority (FCA).

We discussed among the audit engagement team including relevant internal specialists such as tax, IT, macroeconomic, conduct risk and credit risk modelling regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our procedures to address them are described below:

Estimation of expected credit losses (ECL) on loans to customers

- We obtained an understanding of the relevant controls over model governance, including development, recalibration, and monitoring activities and review and challenge of the year-end macro-economic scenarios;
- With support from our credit risk modelling specialists, we assessed whether the Economic Response Model development was based on appropriate data, considering the build period, data sampling, and exclusions applied;
- We performed an independent recode of the Economic Response Model to test its accuracy;

MONEYBARN NO.1 LIMITED
(Company Number 04496573)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MONEYBARN NO.1 LIMITED (CONTINUED)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

Estimation of expected credit losses (ECL) on loans to customers (continued)

- With support from our economics specialists, we challenged and evaluated economic forecasts and their respective weightings through comparison to independent economic outlooks, other external and market data; and
- We conducted a stand-back assessment to evaluate the appropriateness of the risk assessment, the alignment of management's judgements and assumptions with the financial reporting framework, and whether sufficient appropriate audit evidence has been obtained.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with the FCA.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

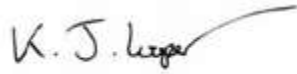
We have nothing to report in respect of these matters.

MONEYBARN NO.1 LIMITED
(Company Number 04496573)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MONEYBARN NO.1 LIMITED (CONTINUED)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Kieren Cooper (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
25 February 2026

MONEYBARN NO.1 LIMITED
(Company Number 04496573)

STATEMENT OF COMPREHENSIVE INCOME

| For the year ended 31 December | Note | 2025 £m | 2024 £m |
|--|------|---------------|---------------|
| Interest income | 1 | 123.9 | 138.0 |
| Interest expense | 2 | (35.1) | (42.4) |
| Net interest income | | 88.8 | 95.6 |
| Impairment charges | 3 | (41.5) | (60.2) |
| Risk-adjusted income | | 47.3 | 35.4 |
| Operating costs | | (60.2) | (69.7) |
| Loss before taxation | 3 | (12.9) | (34.3) |
| Tax credit | 4 | 3.1 | 8.6 |
| Loss for the year attributable to equity shareholders | | (9.8) | (25.7) |

There is no other comprehensive income for the year.

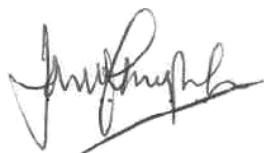
All of the above operations relate to continuing operations.

MONEYBARN NO.1 LIMITED
(Company Number 04496573)

BALANCE SHEET

| | Note | As at 31 December 2025 £m | As at 31 December 2024 £m |
|--|------|------------------------------------|------------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | | 2.7 | 2.5 |
| Amounts receivable from customers | 6 | 688.5 | 735.4 |
| Trade and other receivables | 7 | 1.1 | 1.6 |
| Inventories | | 1.8 | 2.0 |
| Property, plant and equipment | 8 | 0.8 | 1.0 |
| Current tax asset | | 4.3 | 6.4 |
| Deferred tax asset | 10 | 2.4 | 5.8 |
| Total assets | | 701.6 | 754.7 |
| LIABILITIES AND EQUITY | | | |
| Liabilities | | | |
| Trade and other payables | 11 | 581.8 | 627.9 |
| Provisions | 12 | 3.9 | 1.1 |
| Total liabilities | | 585.7 | 629.0 |
| Equity attributable to owners of the parent | | | |
| Share capital | 13 | - | - |
| Share premium | 13 | 117.0 | 117.0 |
| Retained (deficit)/earnings | | (1.1) | 8.7 |
| Total equity | | 115.9 | 125.7 |
| Total liabilities and equity | | 701.6 | 754.7 |

The financial statements on pages 21 to 55 were approved and authorised for issue by the Board of directors on 25 February 2026 and signed on its behalf by:



I McLaughlin
Director



D Watts
Director

MONEYBARN NO.1 LIMITED
(Company Number 04496573)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| | Share capital £m | Share premium £m | Retained earnings/ (deficit) £m | Total £m |
|---|------------------------|------------------------|--|--------------|
| At 1 January 2024 | - | 70.0 | 34.4 | 104.4 |
| Issue of share capital | - | 47.0 | - | 47.0 |
| Loss and total comprehensive expense for the year | - | - | (25.7) | (25.7) |
| At 31 December 2024 | - | 117.0 | 8.7 | 125.7 |
| At 1 January 2025 | - | 117.0 | 8.7 | 125.7 |
| Loss and total comprehensive expense for the year | - | - | (9.8) | (9.8) |
| At 31 December 2025 | - | 117.0 | (1.1) | 115.9 |

In the prior year, an additional 94 Ordinary shares of £1 each were issued and fully paid by the Company's immediate parent undertaking at a price of £0.5m per share. The Ordinary shares, which are held exclusively by the immediate parent undertaking carry full voting, dividend and capital distribution rights.

MONEYBARN NO.1 LIMITED
(Company Number 04496573)

STATEMENT OF CASH FLOWS

| For the year ended 31 December | Note | 2025 £m | 2024 (restated)* £m |
|---|------|---------------|---------------------------|
| Cash flow from operating activities | | | |
| Cash generated from/(used in) operations | 16 | 67.4 | (8.5) |
| Net cash generated from/(used in) operating activities | | 67.4 | (8.5) |
| Cash flow from investing activities | | | |
| Purchase of property, plant and equipment | 8 | - | (0.8) |
| Proceeds from sale of property, plant and equipment | 8 | 0.1 | 0.1 |
| Net cash generated from/(used in) investing activities | | 0.1 | (0.7) |
| Cash flow from financing activities | | | |
| Financing to intermediate holding company | 7 | - | 213.5 |
| Financing from Vanquis Bank Limited | 11 | 163.0 | 140.0 |
| Repayment of financing to Vanquis Bank Limited | 11 | (183.9) | (158.9) |
| Financing from intermediate holding company | 11 | (29.9) | (222.6) |
| Financing to Moneybarn Financing Limited | 11 | (16.5) | (11.8) |
| Proceeds of issue of shares | 13 | - | 47.0 |
| Net cash (used in)/generated from financing activities | | (67.3) | 7.2 |
| Net increase/(decrease) in cash and cash equivalents | | 0.2 | (2.0) |
| Cash and cash equivalents at beginning of year | | 2.5 | 4.5 |
| Cash and cash equivalents at end of year | | 2.7 | 2.5 |

*Refer to note 16 for details on the restatement

Interest received was £162.3m (2024: £186.6m) and interest paid was £18.6m (2024: £22.0m). This is all included within cash generated from/(used in) operations.

MONEYBARN NO.1 LIMITED
(Company Number 04496573)

STATEMENT OF ACCOUNTING POLICIES

General information

The Company is a private limited company limited by shares and is incorporated and domiciled in England, United Kingdom. The address of its registered office is Moneybarn, Athena House, Bedford Road, Petersfield, Hampshire, GU32 3LJ.

Basis of preparation

The financial statements have been prepared in accordance with international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board and adopted by the UK; and the Companies Act 2006.

The financial statements have been prepared on a going concern basis under the historical cost convention. In preparing the financial statements, the directors are required to use certain critical accounting estimates and are required to exercise judgement in the application of the Company's accounting policies.

The Company is partially funded through intercompany loan facilities made available by the ultimate parent company, Vanquis Banking Group plc. As a result, the ability of the company to continue as a going concern is dependent on the ability and intent of its ultimate parent to continue to make funds available to enable the Company to meet its liabilities as they fall due.

In assessing whether the Company is a going concern for the purposes of the Annual Report and financial statements, the directors have reviewed and considered the following factors:

- The Group's corporate plan as approved in January 2026, which sets out financial, capital, liquidity and funding projections, together with an overview of relevant risks;
- The principal and emerging risks, which could impact the performance of the Group, with a focus on capital and liquidity;
- The severe but plausible downside scenario, which is designed to assess the potential impact of certain underlying risks on the Group's capital and funding resources, together with the availability and effectiveness of mitigating action;
- Reverse stress testing analysis, which is designed to assess the point at which the Group is no longer a going concern.

Having considered the Group's forecasts, the regulatory capital and liquidity of the Group and the regulatory outlook, the directors have a reasonable expectation that the Company will continue as a going concern for a period of at least 12 months from the date of approving these financial statements. Accordingly, the financial statements of the Company have been prepared on the going concern basis.

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates.

Principal accounting policies

The Company's principal accounting policies under IFRS have been consistently applied to all the years presented, except where set out below.

Change in accounting policies

Exceptional items

The Group and Company have transitioned to reporting solely on a statutory basis, removing adjustments for exceptional costs. The accounting policy for exceptional items is therefore no longer in place. As this is a change in accounting policy, the comparatives have been represented; however, there is no impact on recognition, measurement or total profit and loss in any period presented in the annual report and financial statements. The change reflects a change in presentation of the Statement of comprehensive income and associated metrics.

Representation of items

Cash flow statement

The Company cash flow statement has been restated. Refer to note 16 for details.

MONEYBARN NO.1 LIMITED
(Company Number 04496573)

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

The impact of new standards not yet effective and not adopted by the Company from 1 January 2026

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss;
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements; and
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The Company's assessment is ongoing and anticipates that the application of these amendments may have an impact on the presentation of its financial statements in future periods.

There are no other new standards not yet effective and not adopted by the Company from 1 January 2026 which are expected to have a material impact on the Company.

Interest income

Interest income comprises interest earned by the Company and includes intra-group transactions. Interest income on customer receivables is recognised in line with IFRS 16. Refer to the Leases accounting policy for further details.

Interest income is recognised on the gross receivable basis when accounts are in IFRS 9 stages 1 and 2 and on the net receivable for accounts in stage 3.

Directly attributable acquisition costs within the Company are capitalised as part of receivables and amortised over the expected life of customer accounts as a deduction to interest income.

Interest Income includes interest income from intra-group transactions and are recognised on an effective interest rate (EIR) basis.

Interest expense

Interest expense comprises the interest on intra-group arrangements and securitisation and are recognised on an effective interest rate (EIR) basis.

Leases

The Company as a lessor

The Company is considered a lessor for its conditional sale agreements to customers. Finance lease income is presented within interest income. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases. Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

Refer to the accounting policy for the amounts receivable from customer for further detail.

MONEYBARN NO.1 LIMITED
(Company Number 04496573)

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Amounts receivable from customers

The Company is considered a lessor for its conditional sale agreements to customers. IFRS 16 is adopted for revenue recognition, except in relation to IFRS 9 Stage 3 in which interest income is recognised on the net receivable. Impairment is accounted for under IFRS 9.

Amounts receivable from customers under IFRS 9 are initially recognised at fair value which represents the amount advanced to the customer plus directly attributable issue costs less an impairment provision for expected losses. The receivables are originated under a business model that intends to collect the contractual cash flows and includes only elements of principal and interest, so are subsequently measured at amortised cost less impairment provisions. The impairment provision recognised is based on the probability of default (PD), the loss given default (LGD) and the exposure at default (EAD). Receivables are subsequently increased by interest income and reduced by cash collections and impairment.

IFRS 9 requires a three stage ECL approach for measuring impairment:

Stage 1 – a 12-month ECL allowance is recognised where there is no significant increase in credit risk (SICR) since initial recognition.

Stage 2 – a lifetime ECL allowance is recognised for receivables where a SICR is identified since initial recognition.

Stage 3 – requires objective evidence that the receivable is credit impaired, at which point a lifetime ECL allowance is recognised.

On initial recognition, all accounts are recognised in IFRS 9 stage 1.

The account moves to stage 2 when a SICR becomes evident, such as a missed payment or a significant increase in PD but has not defaulted. In absence of other factors indicating SICR, this will occur at 30 days past due.

An account moves to stage 3 and is deemed to have defaulted at 90 days past due, when a payment arrangement is initiated, or when other unlikelihood to pay factors arise (such as customer bankruptcy proceedings).

Accounts are charged off when they meet certain criteria set out in the Company's charge off policy and are generally expected to be sold to debt collection agencies. This is largely linked to the number of customer missed payments. A post charge off asset (PCOA) is recognised based on expected future cash flows. When an account is charged off both the reduction in gross receivable and the release of the impairment provision is recognised in the income statement, within impairment. In line with IFRS 9.5.5.4 this reflects a partial write off of the gross receivable, with a corresponding release in the associated impairment provision. Any additional charge as a result of the partial write off is also recognised within impairment in the income statement. The accounts remain held at amortised cost as the business model is unchanged.

A customer's debt is written off when it is sold to debt collection agencies or when there is no further expectation of collections. Any subsequent recoveries are recognised as a credit to impairment when received.

The Company's recognition of amounts receivable from customers includes finance leases. Finance leases are initially measured at an amount equal to the net investment in the lease, using the interest rate implicit in the finance lease.

Direct costs are included in the initial measurement of the net investment in the lease and reduce the amount of income recognised over the lease term. Interest income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the net investment of the lease.

Subsequent to initial recognition, the Group applies the impairment requirements of IFRS 9, recognising and allowance for expected credit losses on the finance lease receivables.

MONEYBARN NO.1 LIMITED
(Company Number 04496573)

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Amounts receivable from customers (continued)

Losses are recognised on inception of a loan based on the probability of a customer defaulting within 12 months. This is determined with reference to historical customer data and outcomes.

An account moves from stage 1 to stage 2 when there has been a SICR or when the customer is assessed as vulnerable. Lifetime losses are recognised for all accounts in stages 2 and 3.

A customer is deemed to have defaulted when they become three monthly payments in arrears or enter into a forbearance arrangement. Customer agreements which have been terminated, either voluntarily, by the customer settling their agreement early and where a balance remains, or through the agreement being default terminated, are also included within stage 3.

Customers are moved to IFRS 9 stage 3 and lifetime losses are recognised where forbearance is provided to the customer or alternative payment arrangements are established. Customers under temporary payment arrangements are separately identified according to the type of arrangement. The carrying value of receivables under each type of payment arrangement is calculated using historical cash flows under that payment arrangement, discounted at the original effective interest rate.

No receivables have been derecognised in respect of Moneybarn's securitisation programme. Moneybarn substantially retains all the risks and rewards of the assets, through the mechanisms of the subordinated notes and the right to receive all deferred consideration in respect of the sale of the receivables. As a result, Moneybarn recognises a deemed loan arrangement under "Amounts owed to Moneybarn Financing Limited" representing amounts receivable from Moneybarn Financing Limited for the purchase of the receivables and is shown net of the amounts of subordinated notes issued to the Company by Moneybarn Financing Limited.

Macroeconomic scenarios

Macroeconomic provisions are part of the core model and are recognised to reflect the expected impact of future economic events on a customer's ability to make payments on their agreements and the losses which are expected to be incurred.

The provisions consider the relationship between hazard rate, the number of people who were employed last month but who are unemployed the following month (derived from unemployment). In 2024, debt to income ratio, default and write off rates were also considered.

MONEYBARN NO.1 LIMITED
(Company Number 04496573)

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories consist of vehicles brought back into stock after the termination of the conditional sale agreements with customers, valued at the expected auction proceeds net of auction costs.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Trade and other receivables and payables

Trade and other receivables and payables are held at amortised cost. Trade and other receivables are assessed for impairment at the balance sheet date based on lifetime expected credit loss (ECL).

Amounts owed to group companies

Amounts owed to other group companies are carried at amortised cost.

Property, plant and equipment

Property, plant and equipment is shown at cost less accumulated depreciation and impairment.

Cost represents invoice cost plus any other costs that are directly attributable to the acquisition of the items. Repairs and maintenance costs are expensed as incurred.

Depreciation is calculated to write down assets to their estimate realisable values over their useful economic lives. The following principal bases are used:

| | % | Method |
|------------------------|------|---------------|
| Contract Hire Vehicles | 33.3 | Straight line |

The residual values and useful economic lives of all assets are reviewed, and adjusted if appropriate, at each balance sheet date.

All items of property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds the higher of the asset's value in use or its fair value less costs to sell.

Gains and losses on disposal of property, plant and equipment are determined by comparing any proceeds with the carrying amount of the asset and are recognised within administrative costs in the Statement of comprehensive income.

Depreciation is charged to the Statement of comprehensive income as part of operating costs.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

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STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Taxation

The tax charge represents the sum of current and deferred tax. Current tax is calculated based on taxable profit for the year using tax rates that have been enacted or substantively enacted by the balance sheet date. Taxable profit differs from profit before taxation as reported in the Statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or on tax losses carried forward.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax is also provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences or carried forward of losses can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities

Contingent liabilities are possible obligations arising from past events, whose existence will be confirmed only by uncertain future events or present obligations arising from past events that are not recognised because either an outflow of economic benefits is not probable or the amount of the obligation cannot be reliably measured. Contingent liabilities are not recognised in the balance sheet but information about them is disclosed unless the possibility of any economic outflow in relation to settlement is remote.

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STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Critical accounting judgements and sources of estimation uncertainty

In applying the accounting policies set out above, the Company makes judgements (other than those involving estimates) that have a significant impact on the amounts recognised and makes estimates and assumptions that affect the reported amounts of assets and liabilities.

The estimates and judgements are based on historical experience, actual results may differ from these estimates.

Amounts receivable from customers (note 6)
£688.5m (2024: £735.4m)

Critical accounting judgements

The Company reviews amounts receivable from customers for impairment at each balance sheet date. For the purposes of assessing the impairment, customers are categorised into IFRS 9 stages and cohorts which are considered to be the most reliable indication of future payment performance. The determination of expected credit losses involves complex modelling techniques and requires management to apply significant judgements to calculate expected credit losses. The most critical judgements are outlined below.

The determination of the Significant Increase in Credit Risk (SICR) thresholds to be used in the models requires management judgement to optimise the performance and therefore effectiveness of the staging methodology. Assessments are made to determine whether there is objective evidence of a SICR, which indicates whether there has been an adverse effect on Probability of Default (PD). A SICR for customers is when there has been a significant increase in behavioural score, other qualitative triggers, or when one contractual monthly payment has been missed.

For the purpose of IFRS 9, default is assumed when three contractual repayments have been missed.

The Company's impairment model is subject to periodic monitoring, independent validation and back testing performed on model components (where appropriate), including probability of default, exposure at default and loss given default to ensure management judgements remain appropriate.

Limitations in the Company's impairment models or data inputs may be identified through the ongoing assessment and validation of the output of the models. In these circumstances, management makes appropriate adjustments to the Group's allowance for impairment losses to ensure that the overall provision adequately reflects all material credit risks. These adjustments are determined by considering the particular attributes of exposures that have not been adequately captured by the impairment models, and range from changes to model inputs and parameters, at account level, through to more qualitative post-model overlays. Those changes applied to model inputs and parameters are deemed to be in-model overlays; more qualitative changes that have a higher degree of management judgement are deemed to be post-model overlays. All adjustments are reviewed quarterly and are subject to internal review and challenge to ensure that amounts are appropriately calculated. A breakdown of the post-model (under)/overlays is included in note 6.

Credit performance across the Group remains stable and internal analysis shows no obvious signs of credit quality deterioration.

Macroeconomic impairment provision adjustments are recognised in the core model to reflect an increased probability of default (PD), based on future macroeconomic scenarios.

The macroeconomic models have been redeveloped in 2025. The model uses the following variables: hazard rate, debt to income ratio and real earnings.

Management judgement was required to determine the appropriate macroeconomic indicators to be used in the model by assessing their correlation with credit losses incurred by the business. Unemployment, linked to hazard rate and debt to income ratio are judged to be a key macroeconomic indicator as analysis has clearly evidenced a correlation between changes in unemployment and credit losses incurred by the business.

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STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Critical accounting judgements (continued)

In the prior year, a model overlay of £1.4m was recognised utilising data from a third party, Oxford Economics (OE). The OE model predicted industry level write-off rates, unemployment rates, debt to income ratio and a measure of macroeconomic volatility. The outputs from the OE model were calibrated to the Group entry to default rate which is in turn used to derive the scalars applied to the lifetime probability of default model.

Key sources of estimation uncertainty

The level of impairment recognised is calculated using models that utilise historical payment performance to generate the estimated amount and timing of future cash flows from each cohort of customers in each arrears stage. The model is regularly monitored to ensure it retains sufficient accuracy. Sensitivity analysis has been performed in note 6 which shows the impact of a 1% movement of gross exposure into stage 2 from stage 1 on the allowance accounts.

Vehicle Finance Stage 3 review in 2024

During 2024, a review was undertaken of the Vehicle Finance Stage 3 assets. The Company had been exhibiting an ever-growing Stage 3 gross receivable balance, with a corresponding large and increasing ECL provision being held. As part of that review, receivables eligible for a potential debt sale were fully charged off, resulting in a post-charge-off asset (PCOA) being recognised. The charge-off process led to a partial write-off, with a reduction in gross receivables of c.£261m and a release of impairment provision of £237m. This resulted in a net charge of £24m, which was recognised in the income statement within impairment charges.

Macroeconomic assumptions

The macroeconomic forecasts and scenarios used are provided by Oxford Economics. The base case, upside, downside and severe scenarios utilised in the model calculate a Multiple Economic Scenario weighted ECL provision.

The table below shows the scenario five-year peak and average unemployment assumptions adopted and the weightings applied to each:

| Scenario for year ended 2025 | Base | Upside | Downside | Severe |
|-------------------------------------|-------------|---------------|-----------------|---------------|
| Weighting | 60% | 20% | 15% | 5% |
| 2026 | 5.0% | 4.6% | 5.8% | 6.0% |
| 2027 | 4.8% | 3.9% | 6.5% | 7.0% |
| 2028 | 4.5% | 3.6% | 6.9% | 7.4% |
| 2029 | 4.4% | 3.6% | 6.7% | 7.2% |
| 2030 | 4.2% | 3.6% | 6.4% | 6.9% |
| Five-year peak | 5.1% | 4.8% | 6.9% | 7.4% |
| Scenario for year ended 2024 | Base | Upside | Downside | Severe |
| Weighting | 60% | 15% | 20% | 5% |
| 2025 | 4.4% | 4.0% | 5.0% | 5.5% |
| 2026 | 4.5% | 4.1% | 6.3% | 7.6% |
| 2027 | 4.5% | 4.2% | 5.9% | 7.9% |
| 2028 | 4.5% | 4.2% | 5.3% | 6.8% |
| 2029 | 4.5% | 4.2% | 5.1% | 6.4% |
| Five-year peak | 4.5% | 4.3% | 6.5% | 8.3% |

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STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Critical accounting judgements (continued)

The debt to income variables, across all scenarios, ranged from 12.5% at the start of 2026 to 13.7% at the end of 2030.

The following table shows the scenario five-year peak and average expected entry to default rate from the Oxford Economics model, used as an overlay in 2024:

| Scenario for year ended 2024 | Base | Upside | Downside | Severe |
|-------------------------------------|-------------|---------------|-----------------|---------------|
| Weighting | 60% | 15% | 20% | 5% |
| 2025 | 1.14% | 1.08% | 1.19% | 1.20% |
| 2026 | 1.15% | 0.96% | 1.32% | 1.37% |
| 2027 | 1.15% | 0.90% | 1.41% | 1.48% |
| 2028 | 1.13% | 0.88% | 1.44% | 1.50% |
| 2029 | 1.12% | 0.88% | 1.42% | 1.48% |
| Five-year peak | 1.16% | 1.13% | 1.45% | 1.51% |

Weightings applied to the macroeconomic assumptions were approved at the December 2025 Assumptions Committee meeting. Following review of the inputs into the newly implemented macroeconomic model, the weightings were updated to increase the upside from 15% to 20% with a corresponding reduction in the downside.

Sensitivity analysis has been performed which shows that changing the weightings to reflect a 100% weighting on the severe scenario would increase the ECL provision by £7.0m.

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STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Critical accounting judgements (continued)

Provision: Vehicle Finance Commissions (note 12)
£3.0m (2024: £nil)

The FCA are consulting on an industry-wide scheme to compensate motor finance customers who were treated unfairly between 2007 and 2024. The scheme would cover regulated motor finance agreements taken out between 6 April 2007 and 1 November 2024 where commission was payable by the lender to the broker.

The FCA has defined these as cases involving an undisclosed contractual tie and commission equal to, or greater than, 50% of the total cost of credit and 22.5% of the loan.

For all other cases, the FCA propose consumers are compensated the average of what the FCA estimate the consumer has overpaid, or lost, and the commission paid, plus interest.

The FCA's consultation outlines a presumption of unfairness for motor finance agreements between 6 April 2007 and 1 November 2024 where:

- discretionary commission arrangements (DCAs) were used; or
- high commission (where the commission is equal to or greater than 35% of the total cost of credit and 10% of the loan) was paid; or
- there was an exclusive or tied broker-lender relationship.

The Group did not participate in discretionary commissions arrangements (DCAs), nor did it enter into any exclusive or tied broker-lender relationships (from initial review). The Group would therefore not be in scope for these elements of the proposed FCA motor finance compensation scheme.

Key sources of estimation uncertainty

Significant challenge is expected to the consultation therefore a number of scenarios have been included in the provision calculation and these have been probability weighted to determine an appropriate provision to be recognised.

The estimated provision represents management's best estimate of the potential redress based on current information available and using a range of potential scenarios. The final calculation may vary due to the need to perform a detailed calculations once the final outcome of the scheme is known.

If the scheme proposals and assumptions included in the consultation are to be fully implemented, an additional liability of £4.0m may arise, primarily due to increased operating costs associated with customer outreach.

The provision assessment also excludes any potential costs in relation to FOS referrals. At this stage it is not possible to reliably determine the number of customers that would go to FOS or the approach FOS will take in applying their fees.

FINANCIAL AND CAPITAL RISK MANAGEMENT

An overview of the Group's risk management framework which is applied by the Company can be found in the annual report and financial statements of Vanquis Banking Group plc, which do not form part of this report and are available on the Group's website. The objective of the Group's risk management and internal control framework is to identify and assess the risks facing the Group and to minimise the potential adverse effects of these risks on the Group's financial performance. Financial risk is overseen by the Risk Committee with day-to-day management delegated to the Credit Risk Committee (CRC) and the Group's Assets and Liabilities Committee.

(a) Credit risk

Credit risk is the risk that the Company will suffer loss in the event of a customer or counterparty failing to meet their contractual financial obligations. Further detail on the Company's write-off policy please refer to page 28.

(i) Amounts receivable from customers

The Company's maximum exposure to credit risk on amounts receivable from customers as at 31 December 2025 is the carrying value of amounts receivable from customers of £688.5m (2024: £735.4m).

The Credit Risk Committee (CRC) is responsible for setting the Credit Risk policy and the Risk Committee has delegated responsibility to CRC for day-to-day credit risk management. The Chief Digital Technology and Analytics Officer (CDTAO) is responsible for ensuring that the approach to lending is within sound risk and financial parameters and that key metrics are reviewed to ensure compliance with policy. The CDTAO discharges and informs this decision making through the Credit Risk Committee who met ten times in 2025.

A customer's credit risk profile and credit line are evaluated at the point of application. Internally generated scorecards based on historical payment patterns and other behavioural characteristics of customers are used to assess the applicant's potential default risk and their ability to manage a specific credit line. For new customers, the scorecards incorporate data from the applicant and sourced from external credit bureaux. Certain policy rules including customer profile, proposed loan size and vehicle type are also assessed in the decisioning process, as well as affordability checks to ensure that, at the time of application, the loan repayments are affordable. For existing customer lending, the scorecards also incorporate data on actual payment performance and product utilisation, together with data sourced from an external credit bureau each month to refresh customers' payment performance position with other lenders.

Arrears management is conducted by way of a combination of letters, inbound and outbound telephony, SMS, email and outsourced debt collection agency activities. Contact is made with the customer to discuss the reasons for non-payment and specific strategies are employed to support the customer in returning to a good standing and retaining use of the vehicle. These include appropriate forbearance arrangements, or where the contract has become unsustainable for the customer, then an appropriate exit strategy is implemented.

(ii) Counterparty risk

Counterparty credit risk arises as a result of cash deposits and collateral placed with banks. The Company's maximum exposure to credit risk on bank counterparties as at 31 December 2025 was £2.7m (2024: £2.5m).

Counterparty credit risk is managed by the ALCO and is governed by a Wholesale Counterparty Credit Risk policy which ensures that the Group's exposures are to high-quality counterparties with the level of permitted exposure to a counterparty firmly linked to the strength of its credit rating. In addition, there is a maximum exposure limit for all institutions, regardless of credit rating. In addition, there is a maximum exposure limit for all institutions, regardless of credit rating. This is linked to the Group's regulatory capital base in line with the Group's regulatory reporting requirements on large exposures to the Prudential Regulation Authority (PRA).

(b) Funding and Liquidity risk

Funding and Liquidity risk is the risk that the Company will have insufficient financial resources available to fulfil its operational plans and to meet its financial obligations as they fall due. The Company's funding is provided by a mixture of retained earnings and intra-group borrowings from within the Group.

FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

(b) Funding and Liquidity risk (continued)

Funding and Liquidity risk is managed on a day-to-day basis by the Group's centralised Treasury department through daily monitoring of expected cash flows in accordance with a Board-approved Internal Liquidity Adequacy Assessment Process (ILAAP) and Funding and Liquidity Risk Policy, which is designed to ensure that the Group is able to continue to fund the growth of the business. The process is monitored regularly by the ALCO. The ALCO monitors funding and liquidity risk metrics against limits set by the Board, including meeting regulatory requirements.

The Group's risk appetite and Funding and Liquidity Risk Policy are designed to ensure that the Group can continue to fund the growth of the business. The Group maintains liquidity to fund growth and meet retail deposit and wholesale funding outflows

A maturity analysis of the undiscounted contractual cash flows of the Group's bank and other borrowings is set out in the annual report and financial statements of Vanquis Banking Group plc.

(c) Interest rate risk

Interest rate risk is the current or prospective risk to capital or earnings arising from adverse movements in interest rates. Primarily, the group is at risk of a change in external interest rates which leads to an increase in the Group's cost of borrowing without an offsetting increase in revenue.

The Group's exposure to movements in interest rates is governed by a Board approved Market Risk Policy and overseen by ALCO with delegation for day-to-day management given to Treasury. Treasury seeks to limit its net exposure to changes in interest rates. Interest rates in the UK which are impacted by factors outside of the Group's control, including the fiscal and monetary policies of the UK Government and central bank, as well as UK and international political and economic conditions, affect the Group's results, profitability and consequential return on capital in three principal areas: cost and availability of funding, margins and revenues and impairment levels.

The major contributors to interest rate risk are:

- the mismatch, or duration, between repricing dates of interest-bearing assets and liabilities;
- basis risk or assets and liabilities repricing to different reference rates, for example, customer asset and liability products repricing against Bank of England base rate and Sterling Overnight Index Average (SONIA); and
- customer optionality, for example the right to repay borrowing in advance of contractual maturity dates.

The Group has adopted the standard methodology measurement of interest rate risk. The Group measures and monitors the following market risk drivers under the interest rate risk in the banking book (IRRBB) framework through which risk exposure may arise.

(d) Market risk

Market risk is the risk of loss associated with adverse changes in the value of assets and liabilities held by the Company due to movements in market factors such as foreign exchange risk, interest rates (duration risk), customer behaviour (optionality risk), and the movement in rate spreads across types of assets or liabilities (basis risk and credit spread risk). The Company does not have a trading book and therefore is only exposed to non-traded market risk.

(e) Capital risk

Capital risk is managed by the Group's centralised treasury department. The Group manages capital risk by focussing on capital efficiency and effective risk management. This considers the requirements of a variety of different stakeholders including shareholders, policyholders, regulators and rating agencies. A more detailed explanation of the management of capital risk can be found in the annual report and financial statements of Vanquis Banking Group plc within the Pillar 3 disclosures document which do not form part of this report and are available on the Groups website.

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NOTES TO THE FINANCIAL STATEMENTS

1 Interest income

| | 2025 | 2024 |
|---|--------------|--------------|
| | £m | £m |
| Interest income from customer receivables | 123.9 | 133.1 |
| Interest income from loan to intermediate holding company | - | 4.9 |
| Total Interest income | 123.9 | 138.0 |

Interest income from customer receivables comprises £156.2m (2024: £171.1m) net of the amortisation of deferred broker commissions of £32.3m (2024: £38.0m), plus interest income from the loan to the intermediate holding company of £nil (2024: £4.9m).

Management regard the business as one operating segment. All interest income is from UK operations.

2 Interest expense

| | 2025 | 2024 |
|--|-------------|-------------|
| | £m | £m |
| Interest payable to intermediate holding company | 4.4 | 10.0 |
| Interest payable to Moneybarn Financing Limited | 12.1 | 10.4 |
| Interest payable to Vanquis Bank Limited | 18.5 | 21.9 |
| Commitment fee payable to Vanquis Bank Limited | 0.1 | 0.1 |
| Total Interest expense | 35.1 | 42.4 |

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 Loss before taxation

| | 2025 | 2024 |
|--|------|------|
| | £m | £m |
| <hr/> | | |
| Loss before taxation is stated after charging: | | |
| Impairment of amounts receivable from customers (note 6) | 41.5 | 60.2 |

Fellow subsidiary undertakings have recharged certain operating costs to the Company of £44.4m (2024: £48.7m) in respect of services provided.

Auditor's remuneration to Deloitte LLP in respect of the audit of the financial statements was £1.1m (2024: £0.7m). Auditor's remuneration to Deloitte LLP in respect of other services was £nil (2024: £nil).

4 Tax credit

| | 2025 | 2024 |
|--|------------|------------|
| | £m | £m |
| <hr/> | | |
| Tax credit/(charge) in the Statement of comprehensive income | | |
| Current tax | 6.5 | 7.4 |
| Deferred tax (note 10) | (3.4) | 1.2 |
| <hr/> | | |
| Total tax credit | 3.1 | 8.6 |

The rate of tax credit (2024: tax credit) on the loss before taxation for the year is lower than (2024: equal to) the standard rate of corporation tax in the UK of 25% (2024: 25%). This can be reconciled as follows:

| | 2025 | 2024 |
|--|------------|------------|
| | £m | £m |
| <hr/> | | |
| Loss before taxation | (12.9) | (34.3) |
| Loss before taxation multiplied by the standard rate of corporation tax in the UK of 25% (2024: 25%) | 3.2 | 8.6 |
| Effect of: | | |
| - adjustment in respect of prior years | (0.1) | - |
| <hr/> | | |
| Total tax credit | 3.1 | 8.6 |

5 Employee information and directors' remuneration

The Company has no employees.

The directors' emoluments of I McLaughlin, D Watts and P Estlin are paid and disclosed by the ultimate parent company, Vanquis Banking Group plc. It is not possible to make an accurate apportionment of their services in relation to the Company.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Amounts receivable from customers

Amounts receivable from customers comprises £706.2m (2024: £764.9m) of customer receivables plus deferred broker commissions of £45.4m (2024: £49.7m) and post charge-off assets of £9.9m (2024: £17.3m). The present value of those payments, net of provisions for impairment, carried in the accounts are:

| | 2025 | 2024 |
|--|--------------|--------------|
| | £m | £m |
| Ageing analysis of amounts receivable from customers | | |
| Amounts due within one year | 235.3 | 255.8 |
| Amounts due between one and five years | 526.2 | 576.1 |
| Present value | 761.5 | 831.9 |
| Allowance account | (73.0) | (96.5) |
| Net amounts receivable from customers | 688.5 | 735.4 |

Amounts receivable from customers are held at amortised cost and are equal to the expected future cash flows discounted at the EIR. The average EIR for the year ended 31 December 2025 was 23% (2024: 24%).

No finance agreements entered into have a term greater than five years (2024: none over five years). The average period to maturity of the amounts receivable from customers is 33 months (2024: 34 months).

The loans provided by the Company are secured against vehicles. The recovery and sale of the vehicle can be a significant recovery which can be used to offset any losses incurred because of defaulted contracts. The future valuation of vehicles feeds into the impairment model to calculate the expected recovery amount from sale.

Other movements within gross receivables include the capitalisation of broker costs and the recognition of the post charge-off asset.

An increase of 1% of the gross exposure into Stage 2 from Stage 1 would result in an increase in the allowance account of £0.7m (2024: £0.9m) based on applying the difference between coverage ratios from Stage 1 to Stage 2 to the movement in gross exposure.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Amounts receivable from customers (continued)

Amounts receivable from customers can be reconciled as follows:

| 2025 | Stage 1 £m | Stage 2 £m | Stage 3 £m | Total £m |
|--|---------------|---------------|---------------|--------------|
| Gross carrying amount: | 606.3 | 120.1 | 105.5 | 831.9 |
| Originations | 295.2 | - | - | 295.2 |
| Transfers due to changes in credit risk: | | | | |
| - from stage 1 to stage 2 | (303.1) | 303.1 | - | - |
| - from stage 1 to stage 3 | (16.2) | - | 16.2 | - |
| - from stage 2 to stage 1 | 173.4 | (173.4) | - | - |
| - from stage 2 to stage 3 | - | (95.7) | 95.7 | - |
| - from stage 3 to stage 1 | 1.7 | - | (1.7) | - |
| - from stage 3 to stage 2 | - | 11.4 | (11.4) | - |
| Write-offs | (7.9) | (3.1) | (74.5) | (85.5) |
| Repayments | (308.8) | (63.7) | (57.3) | (429.8) |
| Interest Income | 88.9 | 30.4 | 4.6 | 123.9 |
| Other movements | 26.9 | 0.3 | (1.4) | 25.8 |
| At 31 December | 556.4 | 129.4 | 75.7 | 761.5 |

Allowance account:

| | | | | |
|--|--------------|--------------|-------------|-------------|
| At 1 January | 18.2 | 21.5 | 56.8 | 96.5 |
| Movements through Statement of comprehensive income | | | | |
| Originations | 25.9 | - | - | 25.9 |
| Transfers due to changes in credit risk: | | | | |
| - from stage 1 to stage 2 | (16.4) | 16.4 | - | - |
| - from stage 1 to stage 3 | (0.6) | - | 0.6 | - |
| - from stage 2 to stage 1 | 24.1 | (24.1) | - | - |
| - from stage 2 to stage 3 | - | (23.6) | 23.6 | - |
| - from stage 3 to stage 1 | 0.1 | - | (0.1) | - |
| - from stage 3 to stage 2 | - | 1.0 | (1.0) | - |
| Remeasurements within Existing Stage | (37.5) | 31.7 | 18.6 | 12.8 |
| Post-model overlays | (0.2) | (3.2) | (0.1) | (3.5) |
| Write offs | - | - | 14.0 | 14.0 |
| Debt Sale | - | - | (0.7) | (0.7) |
| Derecognition of Stage 3 interest | - | - | (6.0) | (6.0) |
| Recoveries | - | - | 2.7 | 2.7 |
| Revaluations | - | - | (3.7) | (3.7) |
| Other movements | - | - | - | - |
| Total amount recorded in impairment charges | (4.6) | (1.8) | 47.9 | 41.5 |

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Amounts receivable from customers (continued)

| 2025 | Stage 1 £m | Stage 2 £m | Stage 3 £m | Total £m |
|--|---------------|---------------|---------------|--------------|
| Movements through allowance account: | | | | |
| Write offs | - | - | (71.7) | (71.7) |
| Debt sale proceeds | - | - | 11.9 | 11.9 |
| Derecognition of Stage 3 interest | - | - | 6.0 | 6.0 |
| Other changes | - | - | (11.2) | (11.2) |
| Allowance account at 31 December | 13.6 | 19.7 | 39.7 | 73.0 |
| Reported amounts receivable from customers at 31 December | 542.8 | 109.7 | 36.0 | 688.5 |
| Reported amounts receivable from customers at 1 January | 588.1 | 98.6 | 48.7 | 735.4 |

Amounts receivable from customers can be reconciled as follows:

| 2024 | Stage 1 £m | Stage 2 £m | Stage 3 £m | Total £m |
|--|---------------|---------------|---------------|----------------|
| Gross carrying amount: | 391.7 | 224.8 | 527.7 | 1,144.2 |
| Originations | 311.1 | - | - | 311.1 |
| Transfers due to changes in credit risk: | | | | |
| - from stage 1 to stage 2 | (63.6) | 63.6 | - | - |
| - from stage 1 to stage 3 | (22.0) | - | 22.0 | - |
| - from stage 2 to stage 1 | 125.8 | (125.8) | - | - |
| - from stage 2 to stage 3 | - | (15.9) | 15.9 | - |
| - from stage 3 to stage 1 | 38.3 | - | (38.3) | - |
| - from stage 3 to stage 2 | - | 41.7 | (41.7) | - |
| Write-offs | - | - | (358.8) | (358.8) |
| Repayments | (279.8) | (97.8) | (90.8) | (468.4) |
| Interest Income | 72.2 | 30.3 | 30.6 | 133.1 |
| Other movements | 32.6 | (0.8) | 38.9 | 70.7 |
| At 31 December | 606.3 | 120.1 | 105.5 | 831.9 |

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Amounts receivable from customers (continued)

| 2024 (represented) | Stage 1 £m | Stage 2 £m | Stage 3 £m | Total £m |
|--|---------------|---------------|---------------|--------------|
| Allowance account: | | | | |
| At 1 January | 18.2 | 27.0 | 322.9 | 368.1 |
| Movements through Statement of comprehensive income: | | | | |
| Originations | 40.0 | - | - | 40.0 |
| Transfers due to changes in credit risk | | | | |
| - from stage 1 to stage 2 | (15.9) | 15.9 | - | - |
| - from stage 1 to stage 3 | (1.9) | - | 1.9 | - |
| - from stage 2 to stage 1 | 38.8 | (38.8) | - | - |
| - from stage 2 to stage 3 | - | (27.3) | 27.3 | - |
| - from stage 3 to stage 1 | 11.1 | - | (11.1) | - |
| - from stage 3 to stage 2 | - | 20.1 | (20.1) | - |
| Remeasurements within Existing Stage | (72.7) | 23.6 | 73.5 | 24.4 |
| Post-model overlays | 0.6 | 1.0 | 3.9 | 5.5 |
| Write offs | - | - | 30.4 | 30.4 |
| Debt Sale | - | - | (0.1) | (0.1) |
| Derecognition of Stage 3 interest | - | - | (18.5) | (18.5) |
| Recoveries | - | - | 0.2 | 0.2 |
| Revaluations | - | - | (21.7) | (21.7) |
| Other movements | - | - | (0.2) | (0.2) |
| Total amount recorded in impairment charges | - | (5.5) | 65.5 | 60.0 |
| Movements through allowance account: | | | | |
| Write offs | - | - | (374.9) | (374.9) |
| Debt sale proceeds | - | - | 6.7 | 6.7 |
| Derecognition of Stage 3 interest | - | - | 18.5 | 18.5 |
| Other changes | - | - | 18.1 | 18.1 |
| Allowance account at 31 December | 18.2 | 21.5 | 56.8 | 96.5 |
| Reported amounts receivable from customers at 31 December | 588.1 | 98.6 | 48.7 | 735.4 |
| Reported amounts receivable from customers at 1 January | 373.5 | 197.8 | 204.8 | 776.1 |

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Amounts receivable from customers (continued)

A breakdown of the post-model overlays for the Company is shown below:

| | 2025 £m | 2024 £m |
|--|--------------|-------------|
| Core model | 73.2 | 93.2 |
| Post-model (under)/overlays | (0.2) | 3.3 |
| Total allowance account | 73.0 | 96.5 |
| | 2025 £m | 2024 £m |
| Post-model (under)/overlays: | | |
| 12-month PD recalibration (note (a)) | - | 2.8 |
| Macroeconomic LGD implementation (note (b)) | - | (0.9) |
| Macroeconomic model redevelopment (note (c)) | - | 1.4 |
| LGD recalibration (note (d)) | 2.3 | (0.6) |
| FSD model calibration (note (e)) | (1.1) | - |
| SICR recalibration (note (f)) | (1.0) | - |
| Other | (0.4) | 0.6 |
| Total post-model (under)/overlays | (0.2) | 3.3 |

(a) 12-month PD recalibration

Monitoring of the 12-month PD model indicated a recalibration was required for the 'up-to-date' segment. The PMA was removed as the changes were reflected into the models.

(b) Macroeconomic LGD Implementation

Refinements were made to the macroeconomic LGD model implementation to: (i) reflect an upside scenario; (ii) refine the shape of the scenarios; and (iii) enhance how the scenarios were being applied. The PMA was released as the changes were reflected into the models.

(c) Macroeconomic model development

The macroeconomic model has been redeveloped and the model overlay released.

(d) LGD Recalibration

Following the introduction of the charge-off process and the revised definition of default during 2024, calibrations were required to components of the LGD model. A PMA has been recognised until the model can be updated.

(e) Forced sale discount (FSD) model calibration

The external car valuations used in the FSD model were revised at the end of 2025. The input data used in the model therefore needs to be calibrated to the revised valuations. A PMA has been recognised until the model can be updated.

(f) Stage 2 SICR recalibration

A new acquisition scorecard was implemented during the year, the SICR threshold therefore needs to be calibrated to appropriately move accounts into stage 2 when then breach the SICR thresholds. A PMA has been recognised until the model can be updated.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Amounts receivable from customers (continued)

Internal rating scales

A breakdown of the gross receivables by internal credit risk rating is shown below:

| Internal rating values | 2025 | | | |
|-------------------------------|---------------|---------------|---------------|--------------|
| | Stage 1 £m | Stage 2 £m | Stage 3 £m | Total £m |
| Good quality | 486.2 | 25.1 | - | 511.3 |
| Satisfactory quality | 69.6 | 36.9 | - | 106.5 |
| Lower quality | 0.6 | 35.5 | - | 36.1 |
| Below standard | - | 31.9 | 75.7 | 107.6 |
| Gross carrying amount | 556.4 | 129.4 | 75.7 | 761.5 |

| Internal rating values | 2024 | | | |
|-------------------------------|---------------|---------------|---------------|--------------|
| | Stage 1 £m | Stage 2 £m | Stage 3 £m | Total £m |
| Good quality | 516.9 | 11.1 | - | 528.0 |
| Satisfactory quality | 78.9 | 35.8 | - | 114.7 |
| Lower quality | 10.4 | 39.7 | - | 50.1 |
| Below standard | 0.1 | 33.5 | 105.5 | 139.1 |
| Gross carrying amount | 606.3 | 120.1 | 105.5 | 831.9 |

Internal credit risk rating is based on the internal credit score of a customer at the balance sheet date.

The Company accounts for its lease receivables under IFRS16. As a result, a maturity analysis of the amounts receivable under the finance leases is required and is shown below:

| | 2025 £m | 2024 £m |
|--------------------------------|----------------|----------------|
| Due within one year | 370.7 | 397.7 |
| Due within one to two years | 300.9 | 316.1 |
| Due within two to three years | 222.8 | 255.6 |
| Due within three to four years | 137.6 | 146.2 |
| Due within four to five years | 45.1 | 45.8 |
| Total | 1,077.1 | 1,161.4 |
| Unearned finance cost | (315.6) | (329.5) |
| Total lease receivable | 761.5 | 831.9 |

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Trade and other receivables

| | 2025 | 2024 |
|---|------------|------------|
| | £m | £m |
| Prepayments and accrued income | 0.9 | 0.8 |
| Other receivables including amounts due to the company for taxation and social security | 0.2 | 0.4 |
| Amounts due from other group companies | - | 0.4 |
| Total | 1.1 | 1.6 |

There are no amounts past due in respect of trade and other receivables that are impaired (2024: £nil).

The maximum exposure to credit risk of trade and other receivables is the carrying value of each class of receivable set out above.

There is no collateral held in respect of trade and other receivables (2024: £nil).

8 Property, plant and equipment

| | <u>Contract Hire Vehicles</u> | |
|--|-------------------------------|------------|
| | 2025 | 2024 |
| | £m | £m |
| Cost | | |
| At 1 January | 1.1 | 0.4 |
| Additions | - | 0.8 |
| Disposals | (0.1) | (0.1) |
| At 31 December | 1.0 | 1.1 |
| Accumulated depreciation | | |
| At 1 January | 0.1 | - |
| Charged to the statement of comprehensive income | 0.1 | 0.1 |
| At 31 December | 0.2 | 0.1 |
| Net book value at 31 December | 0.8 | 1.0 |
| Net book value at 1 January | 1.0 | 0.4 |

Depreciation of property, plant and equipment charged to the statement of comprehensive income in the year amounted to £0.1m (2024: £0.1m).

Disposals in the year had a net book value of £0.1m (2024: £0.1m) and related proceeds of £0.1m (2024: £0.1m). The loss on disposals was £nil (2024: £nil).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Financial instruments

The following table sets out the carrying value of the Company's financial assets and liabilities in accordance with the categories of financial instruments set out in IFRS 9. Assets and liabilities outside the scope of IFRS 9 are shown within non-financial assets/liabilities:

31 December 2025

| | Financial instruments at amortised cost £m | Non-financial assets/ liabilities £m | Total £m |
|-----------------------------------|--|---|--------------|
| Assets | | | |
| Cash and cash equivalents | 2.7 | - | 2.7 |
| Amounts receivable from customers | 688.5 | - | 688.5 |
| Trade and other receivables | 0.2 | 0.9 | 1.1 |
| Inventories | - | 1.8 | 1.8 |
| Property, plant and equipment | - | 0.8 | 0.8 |
| Current tax asset | - | 4.3 | 4.3 |
| Deferred tax asset | - | 2.4 | 2.4 |
| Total assets | 691.4 | 10.2 | 701.6 |
| Liabilities | | | |
| Trade and other payables | 581.8 | - | 581.8 |
| Provisions | - | 3.9 | 3.9 |
| Total liabilities | 581.8 | 3.9 | 585.7 |

31 December 2024

| | Financial instruments at amortised cost £m | Non-financial assets/ liabilities £m | Total £m |
|-----------------------------------|--|---|--------------|
| Assets | | | |
| Cash and cash equivalents | 2.5 | - | 2.5 |
| Amounts receivable from customers | 735.4 | - | 735.4 |
| Trade and other receivables | 0.8 | 0.8 | 1.6 |
| Inventories | - | 2.0 | 2.0 |
| Property, plant and equipment | - | 1.0 | 1.0 |
| Current tax asset | - | 6.4 | 6.4 |
| Deferred tax asset | - | 5.8 | 5.8 |
| Total assets | 738.7 | 16.0 | 754.7 |
| Liabilities | | | |
| Trade and other payables | 627.9 | - | 627.9 |
| Provisions | - | 1.1 | 1.1 |
| Total liabilities | 627.9 | 1.1 | 629.0 |

The carrying value for all financial assets represents the maximum exposure to credit risk.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 Deferred tax

Deferred tax is a future tax liability or asset resulting from temporary differences between the accounting value of assets and liabilities and their value for tax purposes or from tax losses carried forward at the reporting date.

Deferred tax arises primarily in respect of: (a) the opening balance sheet adjustments to restate the IAS 39 balance sheet onto an IFRS 9 basis for which tax deductions are available over 10 years; and (b) other temporary differences; and (c) tax losses carried forward for offset against future group profits.

Deferred tax balances at 31 December 2025 and 31 December 2024 and movements in deferred tax balances during the year have been measured at 25% (2024: 25%).

| Asset | 2025 £m | 2024 £m |
|---|------------|------------|
| At 1 January | 5.8 | 4.6 |
| (Charge)/credit to the Statement of comprehensive income (note 4) | (3.4) | 1.2 |
| At 31 December | 2.4 | 5.8 |

An analysis of the deferred tax asset for the Company is set out below:

| Asset | 2025 | | | |
|---|--------------|--------------|---|-------------|
| | IFRS 9 £m | Losses £m | Other temporary differences £m | Total £m |
| At 1 January | 3.4 | 2.3 | 0.1 | 5.8 |
| Charge to the Statement of comprehensive income | (1.1) | (2.3) | - | (3.4) |
| At 31 December | 2.3 | - | 0.1 | 2.4 |

| Asset | 2024 | | | |
|--|--------------|--------------|---|-------------|
| | IFRS 9 £m | Losses £m | Other temporary differences £m | Total £m |
| At 1 January | 4.5 | - | 0.1 | 4.6 |
| Credit/(charge) to the Statement of comprehensive income | (1.1) | 2.3 | - | 1.2 |
| At 31 December | 3.4 | 2.3 | 0.1 | 5.8 |

At 31 December 2024, deferred tax assets comprised deferred tax assets on carried forward losses of £2.3m and deferred tax assets on temporary differences of £3.5m. These were recognised on the basis that the Group's forecasts showed that there were expected to be sufficient taxable profits available in future periods against which carried forward losses could be utilised after taking into account the reversal of temporary differences and group loss restriction rules.

At 31 December 2025 there are no carried forward losses, the 2024 tax losses having been carried back and offset against profits for 2023.

At 31 December 2025, there are no (2024: no) deductible temporary differences or carried forward tax losses for which a deferred tax asset is not provided.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Trade and other payables

| | 2025 | 2024 |
|--|--------------|--------------|
| | £m | £m |
| Current liabilities | | |
| Trade payables | 1.6 | 0.7 |
| Amounts owed to fellow subsidiary undertakings | - | 29.0 |
| Amounts owed to Vanquis Bank Limited | 393.8 | 381.9 |
| Amounts owed to intermediate holding company | 8.6 | 34.0 |
| Amounts owed to Moneybarn Financing Limited | 173.5 | 177.9 |
| Accruals | 4.3 | 4.4 |
| Total | 581.8 | 627.9 |

The fair value of trade and other payables equates to their book value (2024: fair value equated to book value). Amounts owed to fellow subsidiary undertakings are unsecured, due for repayment in less than one year and do not accrue interest.

Amounts owed to the intermediate holding company accrue interest linked to the monthly weighted average cost of funds of the ultimate parent undertaking plus a margin.

Amounts owed to Moneybarn Financing Limited represents amounts received for the purchase of the Company's receivables by Moneybarn Financing Limited as part of the securitisation of the Company's receivables which is accounted for as a deemed loan. The amount is shown net of the amount of subordinated notes issued to the Company by Moneybarn Financing Limited. Finance charges under the deemed loan represent the costs of the securitisation.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Provisions

| Provisions | 2025 | | | |
|----------------------|----------------------------------|------------------------------|-------------|-------------|
| | Vehicle Finance redress £m | Customer compliance £m | Other £m | Total £m |
| At 1 January | - | 0.8 | 0.3 | 1.1 |
| Created in the year | 3.0 | 2.8 | - | 5.8 |
| Utilised in the year | - | (2.7) | (0.2) | (2.9) |
| Released in the year | - | - | (0.1) | (0.1) |
| Total | 3.0 | 0.9 | - | 3.9 |

| Provisions | 2024 | | | |
|----------------------|----------------------------------|------------------------------|-------------|-------------|
| | Vehicle Finance redress £m | Customer compliance £m | Other £m | Total £m |
| At 1 January | - | 0.8 | 0.6 | 1.4 |
| Created in the year | - | 4.2 | - | 4.2 |
| Utilised in the year | - | (4.2) | (0.3) | (4.5) |
| Total | - | 0.8 | 0.3 | 1.1 |

Vehicle Finance redress: £3.0m (2024: £nil)

The Vehicle Finance redress provision relates to the FCA consultation on a motor finance commission scheme announced in October 2025. This provision is the result of a number of probability weighted scenarios and includes the operational cost of outreach, implementation and execution of the scheme. Assuming the proposed base case redress calculation within the consultation, including an estimate of 85% of eligible consumers taking part in the scheme and simple interest applied at 1% above the base rate, the estimated cost would be £7.0m.

Customer Compliance: £0.9m (2024: £0.8m)

The customer remediation provision relates to general customer compliance matters. This includes the costs of processing a temporary uplift in unmerited customer claims from claims management companies. An amount for expected Financial Ombudsman (FOS) fees is also included in the provision.

Other: £nil (2024: £0.3m)

This predominately relates to smaller provisions held.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Share capital and share premium

| | 2025 | | 2024 | |
|-----------------------------------|------------|-----------------------------|------------|--------------------------|
| | Authorised | Issued and fully paid | Authorised | Issued and fully paid |
| Ordinary shares of £1 each | - | 236 | - | 236 |
| Number of shares | - | 236 | - | 236 |

There are no shares issued and not fully paid at the end of the year (2024: no shares).

The Ordinary shares, which are held exclusively by the immediate parent undertaking carry full voting, dividend and capital distribution rights.

In the prior year, an additional 94 Ordinary shares of £1 each were issued and fully paid by the Company's immediate parent undertaking at a price of £0.5m per share. The Ordinary shares, which are held exclusively by the immediate parent undertaking carry full voting, dividend and capital distribution rights.

14 Related party transactions

Details of the transactions between the Company and other group undertakings, which comprise management recharges and interest charges or credits on intra-group balances, along with any balances outstanding at 31 December are set out below:

| | 2025 | | | | |
|---|------------------------------|--------------------------|--------------------------|-----------------------|------------------------------|
| | Management recharge £m | Interest charge £m | Interest credit £m | Owed balance £m | Outstanding balance £m |
| Ultimate parent company | (15.0) | - | - | - | - |
| Intermediate holding company | - | (4.4) | - | - | (8.6) |
| Other subsidiaries of the ultimate parent undertaking: | | | | | |
| Moneybarn Financing Limited | - | (12.1) | - | - | (173.5) |
| Moneybarn Limited | - | - | - | - | - |
| Vanquis Bank Limited | (29.4) | (18.5) | - | - | (393.8) |
| | | | | | |
| | 2024 | | | | |
| | Management recharge £m | Interest charge £m | Interest credit £m | Owed balance £m | Outstanding balance £m |
| Ultimate parent company | - | - | - | - | - |
| Intermediate holding company | - | (10.0) | 4.9 | - | (34.0) |
| Other subsidiaries of the ultimate parent undertaking: | | | | | |
| Moneybarn Financing Limited | - | (10.4) | - | - | (177.9) |
| Moneybarn Limited | 48.7 | - | - | - | (29.0) |
| Vanquis Bank Limited | - | (21.9) | - | - | (381.9) |

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 Related party transactions (continued)

During the current year, steps were taken to simplify the corporate structure of the Group to reduce complexity, reduce risk and improve efficiency of both cost and effort. As part of this activity steps were taken to simplify the Balance sheets of Duncton Group Limited, Moneybarn Group Limited and Moneybarn Limited allowing these companies to be placed into solvent liquidation in due course.

To simplify intercompany balances held within the Vanquis Banking Group ('VBG') the Company drew down on its loan facility from the intermediate holding company, Provident Financial Holdings Limited (PFH) under the PFH Loan Agreement to enable it to fund repayment of the amounts owed to Moneybarn Limited on its trading account.

The Company has continued to receive loan tranches from Vanquis Bank Limited under the Original Facility Agreement at interest rates based on Vanquis Bank Limited's average cost of retail funds (for the weighted average life) plus a margin at the time of issuance. This is net of repayments made on earlier loan tranches. Interest of £18.5m (2024: £21.9m) on the facility was recognised in the current year.

During 2021, the Group signed a warehouse securitisation facility for the Company. In the prior year, the Board considered a proposal to extend the private securitisation facility held with Senior Noteholders' for eighteen months, cancel the undrawn amount and repay part of an existing loan. The renegotiated bilateral securitisation facility has a 12-month amortisation period (if not re-financed) commencing in June 2026 and an ultimate maturity date in June 2027.

The PFH Loan Agreement accrues interest at the monthly weighted average cost of funds of the ultimate parent plus a margin.

The directors believe that all related party transactions are on an arm's length basis.

15 Contingent liabilities

During the ordinary course of business the Company is subject to other complaints and threatened or actual legal proceedings (including class or group action claims) brought by or on behalf of current or former employees, agents, customers, investors or third parties.

This extends to legal and regulatory reviews, challenges, investigations and enforcement actions combined with tax authorities taking a view that is different to the view the Company has taken on the tax treatment in its tax returns, both in the UK and overseas.

It also extends to tax authorities taking the view that VAT exempt supplies received by the Group from UK-based suppliers should be subject to VAT. All such material matters are periodically assessed, with the assistance of external professional advisers, where appropriate, to determine the likelihood of the Company incurring a liability.

In those instances where it is concluded that it is more likely than not that a payment will be made, a provision is established for management's best estimate of the amount required at the relevant balance sheet date. In some cases it may not be possible to form a view, for example because the facts are unclear or because further time is needed to properly assess the merits of the case, and no provisions are held in relation to such matters.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Reconciliation of loss after taxation to cash generated from/(used in) operations

| | Note | 2025 £m | 2024 (restated) £m |
|---|------|-------------|--------------------------|
| Loss after taxation | | (9.8) | (25.7) |
| Adjusted for: | | | |
| - tax credit | 4 | (3.1) | (8.6) |
| - depreciation of property, plant and equipment | 8 | 0.1 | 0.1 |
| - non-cash interest income | | - | (4.9) |
| - non-cash interest expense | | 16.5 | 20.4 |
| Changes in operating assets and liabilities: | | | |
| - amounts receivable from customers | 6 | 46.9 | 40.7 |
| - trade and other receivables | 7 | 0.5 | (4.9) |
| - inventories | | 0.2 | (0.2) |
| - trade and other payables | 11 | 13.2 | (25.1) |
| - provisions | 12 | 2.9 | (0.3) |
| Cash generated from/(used in) operations | | 67.4 | (8.5) |

The following changes have been made to the line items presented in the statement of cash flows, with corresponding restatement of the cash flows for the comparative period:

- Finance income and finance costs are no longer separately disclosed within operating cash flows. The total amount of interest received and interest paid in the year is now disclosed as a memo item underneath the Statement of cash flows.
- As part of this re-presentation, any non-cash interest is now presented as a separate reconciling item between loss after tax and cash generated from operations.

There is no impact on the statement of comprehensive income or balance sheet as a result of these changes.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Reconciliation of loss after taxation to cash generated from/(used in) operations (continued)

The affected financial statement line items are as follows:

| For the year ended 31 December | 2024 as reported £m | Adjustment £m | 2024 restated £m |
|--|---------------------------|------------------|---------------------|
| Reconciliation of loss after taxation to cash generated from/(used in) operations | | | |
| Finance income | (4.9) | 4.9 | - |
| Finance costs | 42.4 | (42.4) | - |
| Non-cash interest income | - | (4.9) | (4.9) |
| Non-cash interest expense | - | 20.4 | 20.4 |
| Trade and other receivables | - | (4.9) | (4.9) |
| Trade and other payables | (30.0) | 4.9 | (25.1) |
| Statement of cash flows | | | |
| Cash flow from operating activities | | | |
| Finance costs paid | (22.0) | 22.0 | - |

There is no impact on the statement of comprehensive income or balance sheet as a result of these changes.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Reconciliation of loss after taxation to cash generated from operations (continued)

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the cash flow statement as cash flows from financing activities.

| | Cash changes | | Non cash changes | |
|--|-------------------------|-----------------|------------------|---------------------------|
| | 1 January 2025 £m | Financing £m | Interest £m | 31 December 2025 £m |
| Amounts owed to Moneybarn Financing Limited | 177.9 | (16.5) | 12.1 | 173.5 |
| Amounts owed to Vanquis Bank Limited | 381.9 | (20.9) | - | 361.0 |
| Amounts owed to intermediate holding company | 34.0 | (29.8) | 4.4 | 8.6 |
| | 2024 | | | |
| | Cash changes | | Non cash changes | |
| | 1 January 2024 £m | Financing £m | Interest £m | 31 December 2024 £m |
| Amounts owed to Moneybarn Financing Limited | 179.3 | (11.8) | 10.4 | 177.9 |
| Amounts owed to Vanquis Bank Limited | 400.8 | (18.9) | - | 381.9 |
| Amounts owed to intermediate holding company | 246.7 | (222.7) | 10.0 | 34.0 |
| Amounts owed by intermediate holding company | 208.6 | (213.5) | 4.9 | - |

The decrease (2024: decrease) in amounts receivable from customers of £47.0m (2024: £40.7m) includes the non-cash movement in the impairment provision as set out below:

| | 2025 £m | 2024 £m |
|--|-------------|-------------|
| Cash movement in amounts receivable from customers | 23.4 | (231.0) |
| Non-cash provision movement – allowance account | 23.5 | 271.7 |
| Total | 46.9 | 40.7 |

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 Parent undertaking and controlling party

The immediate parent undertaking is Provident Financial Holdings Limited (prior to 17 December 2025, the parent undertaking was Moneybarn Group Limited), a company incorporated in England, United Kingdom.

The ultimate parent undertaking and controlling party is Vanquis Banking Group plc, which is the largest and smallest group to consolidate these financial statements. Copies of the consolidated financial statements of Vanquis Banking Group plc may be obtained from the Company Secretary, Vanquis Banking Group plc, Fairburn House, 5 Godwin Street, Bradford, BD1 2AH.